

THIRTY-FIRST JUDICIAL DISTRICT COURT
Jennings, Louisiana

JUDICIAL EXPENSE FUNDS
Agreed Upon Procedures Report
January 1, 2006 to February 15, 2007

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Release Date 9-19-07

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Anne L. Simon
District Judge Pro Tempore
Thirty-First Judicial District Court Expense Funds
PO Box 1389
Jennings, LA 70546

Honorable Judge Anne L. Simon:

I have performed the procedures enumerated below, which were agreed to by you, solely to assist you in evaluating certain expenditures of the Thirty-First Judicial District Court Expense Funds (Court) for the period from January 1, 2006 to February 15, 2007. The Court's management is responsible for the expenditures that occurred during the aforementioned timeframe. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings are as follows:

Public Bid Law

1. Select certain expenditures made during the engagement timeframe for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Findings: My procedures disclosed no expenditures for materials and supplies which exceeded \$20,000 during the engagement timeframe. My procedures disclosed no expenditures for public works exceeding \$100,000.

Accounting and Reporting

2. Select certain disbursements made for travel, expense reimbursements, capital asset purchases, and miscellaneous expenditures during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities (d) determine if expenditures were reasonable and appropriate.

Findings: My findings of certain disbursements selected during the period from January 1, 2006 until February 15, 2007, were as follows:

Flower Purchases

I noted three payments to Betty's Flowers (check number 2066 for \$67.10, 173 for \$37.55, and 224 for \$53.00) totaling \$157.65 were made out of the Judicial Expense Fund for flowers. One occasion was documented as a funeral while the other two simply indicated names of individuals provided flowers. Based on previously issued attorney general opinions, these payments appear to be prohibited under law.

I recommend that Court management discontinue buying flower arrangements with Court funds.

Meal Purchases – No Stated Purpose, Missing Detail Invoice, Individual Guest Not Identified by Name

I noted six payments totaling \$450.43 (check number 2083 for 64.94, 155 for \$68.24, 167 for \$55.60, 387 for \$70.07 all to Walker's Cajun Restaurant in Jennings; 354 for \$125.00, 389 for \$66.58 to Fezzo's Seafood in Crowley) were made out of the Judicial Expense Fund for meals at restaurants. I was unable to locate detail invoices for two of these payments totaling \$123.84 (check number 155 \$68.24, 167 \$55.60). The four payments that did contain detail invoices indicated that the meals took place at noontime either in Jennings or in Crowley. None of the six payments contained a business purpose other than a notation of "office lunch". In addition, none of the supporting documents indicated names of the individuals in attendance at the meal. Two of the payments were for noon meals at a restaurant in Crowley, a city located approximately twenty miles east of Jennings. Based on my findings, I was unable to determine the business purpose, necessity, or reasonableness of these purchases or if the purchases benefited the Court.

I recommend that Court management discontinue paying for daily non-travel related meals for the Judge and employees with Court funds. In addition, I also recommend that no expenditures should be paid without detailed invoices properly documenting purchases.

Hotel Food and Beverage Purchases

I noted the following payments were made to hotels for which the business purpose was stated as seminars and conferences:

Date	Check Number		Amount	Payee / Stated Purpose & Vouching Description
2/3/2006 & 3/15/2006	2094 & 132	\$	1,123.00	Windsor Court Hotel / room, parking, and \$225.48 charged to the Polo Lounge (detail invoices were not available) while attending 2006 Evidence & Procedure Seminar held in New Orleans on March 16 th and 17 th
12/7/2006	362		542.80	Windsor Court Hotel / room, parking while attending Torts Seminar New Orleans
1/13/2007 & 1/16/2007	392 & 393		722.59	Windsor Court Hotel / room, parking, and \$42.49 charged to the New Orleans Grill (no detail invoice available) while attending Juvenile Judges Seminar in New Orleans on January 10 th , 11 th , and 12 th

As noted above, two payments made out of the Judicial Expense Fund to the Windsor Court Hotel located in New Orleans contained \$267.97 in food and beverages on the hotel statement for which detail invoices were not located. One of the hotel statements indicated that of this total amount \$225.48 was charged to the Polo Lounge and the other indicated \$42.49 was charged to the New Orleans Grill. Based on my findings, I was unable to determine the business purpose, necessity, or reasonableness of these purchases or if the purchases benefited the Court. In addition, the payment of the \$42.49 charge appears to be a duplicate payment since Judge Miller was provided a daily travel per diem of \$113.00 a day for attending the Juvenile Judges Seminar in New Orleans during January 2007. See section entitled "Travel Payments Made to Judge Wendell Miller".

I recommend that no expenditures should be paid without detailed invoices properly documenting purchases.

Travel Payments Made to Judge Wendell Miller

On January 10, 2007, a payment (check number 390) was made from the Judicial Expense Fund to Judge Miller in the amount of \$160.20. The expense voucher signed by Judge Miller only contained the description "juv. Judge's seminar in New Orleans", but did not have a detailed invoice attached. I was unable to locate a detail invoice and therefore I was unable to properly substantiate this expenditure. However, based on other similar payments, my assumption would be that this was for mileage at 44.5 cents per mile which would amount to 360 miles, which seems reasonable for round trip mileage to New Orleans. Therefore, it was included in the payments in the following schedule.

The following per diem mileage reimbursement payments were made to Judge Miller during the period from January 1, 2006 to February 15, 2007 out of the Judicial Expense Fund:

Date	Check Number		Amount	Stated Purpose & Vouching Description
4/6/2006	149	\$	64.80	Mileage reimbursement of 160 miles at 40.5 cents for 2006 Annual Spring Conference held in Lafayette on April 6 th and 7 th .
12/7/2006	361		160.20	Mileage reimbursement of 360 miles at 44.5 cents for Torts Seminar in New Orleans.
1/10/2007	390		160.20	Assumed purpose (see note above) = Mileage reimbursement of 360 miles at 44.5 cents for Juvenile Judge's Seminar in New Orleans on January 10 th , 11 th , and 12 th .

In addition to the above mileage reimbursements, the following per diem travel payments were made to Judge Miller during the period from January 1, 2006 to February 15, 2007 out of the Judicial Expense Fund:

Date	Check Number		Amount	Stated Purpose & Vouching Description
4/13/2006	154	\$	194.00	Per diem of \$97.00 per day for 2006 Annual Spring Conference held in Lafayette on April 6 th and 7 th ..
12/7/2006	363		226.00	Per diem of \$113.00 per day for Torts Seminar in New Orleans.
1/10/2007	391		226.00	Per diem of \$113.00 per day for Juvenile Judge's Seminar in New Orleans on January 10 th , 11 th , and 12 th .

I could not locate detail support for the above per diem travel payments. In addition, I was unable to determine if the Court had a written travel policy which indicated what travel per diems were intended to pay for. It appears that the Court was paying per diem based on the location of travel for meals and incidentals. The above findings indicate that the per diem rates varied from \$97.00 to \$113.00 per day, depending on the location of the travel.

Based on my findings, I was unable to determine the business purpose, necessity, or reasonableness of these per diem travel expenditures or if they benefited the Court. The \$97.00 daily per diem payments to attend the 2006 Annual Spring Conference in Lafayette appears not to be a reasonable expenditure for the Court, especially given the fact that a mileage reimbursement of \$64.80 was also paid. In addition, a portion of the per diem payment paid via check #391 in January 2007 appears to be for duplicate expenses paid on a Windsor Court Hotel invoice which was paid with check #392 & 393 in January 2007 for a total of \$722.59. See section above entitled "Hotel Food and Beverage Purchases". The \$722.59 Windsor Court Hotel invoice contained a charge to the New Orleans Grill for \$42.49. This \$42.49 charge would appear to have been a duplicate payment by the Judicial Expense Fund since the Judge had been provided a daily per diem of \$113.00 to attend the Juvenile Judge's Seminar in New Orleans.

I recommend that the Court management: (1) implement a policy outlining guidelines and limitation for travel which would be in compliance with the State and/or Supreme Court Administrator's policies; (2) limit per diem payments for meals and incidentals so they do not exceed State rates; (3) consider the public purpose and public benefit for amounts expended to determine if a trip or meal is a necessary and reasonable expenditure for the Court.

Cellular Phone

During the timeframe covered by my procedures the Court had one cellular phone and it was issued to Judge Wendell Miller. The monthly charges ranged from \$133.72 to \$214.08 for this phone. My summary of the cell phone minutes contained in the detail invoices paid from January 2006 to February 2007 indicated that approximately 46% (4229 minutes) of the cell phone minutes occurred during nights and weekends. My review of text messages indicated that approximately 74% (732 text messages) of them were sent during nights and weekends. Around April of 2006 the Judge purchased a new cell phone with internet and email capabilities with a standard monthly charge of \$171.98 (the previous phones standard monthly charge was approximately \$134.03 a month). Invoices subsequent to

April of 2006 indicated a significant decrease in the number of text and multimedia messages and a corresponding decrease in the amount of billed overages. The number of email or multimedia transmissions were not listed on the detail invoices subsequent to the purchase of the new phone. Detail review of phone bills paid in January and February of 2006 indicated significant minutes and text messages to two numbers located in Kansas. The first number located in Abilene, Kansas indicated 510 minutes of calls were made during this two month period, all of which were during nights and weekends and with some calls lasting in excess of 100 minutes. The second number located in Salina, Kansas indicated 507 minutes of calls were made during this two month period, 381 of which were during nights and weekends. Based on a review of the usage records contained in the detail invoices, it appears that this cellular phone may have been being used for personal purposes. My review of the general ledger during the timeframe of performing the agreed upon procedures showed no indication of any reimbursements being received from Judge Miller for personal phone usage. Any unpaid amounts due to the Court may be in noncompliance with Article 7, Section 14 of the Louisiana Constitution.

I recommend that management: (1) calculated and determine prior personal cellular phone usage amounts and have Judge Miller reimburse reasonable amounts associated with personal usage back to the Judicial Expense Fund; (2) cancel all Court issued cell phones and require Judges to obtain personal cellular phones; (3) develop a cellular phone policy that will allow for a cellular phone allowance based on reasonable documented business use, if allowed by law.

Expenditures Considered Abuse and/or Unreasonable

During the performance of procedures I noted numerous expenditures that did not appear to have a purpose clearly associated with the normal business carried on with respect to the court. The following expenditures were considered to be abusive and/or unreasonable in nature:

Date	Check Number		Amount	Payee / Stated Purpose & Vouching Description
2/24/2006	110	\$	2,685.00	Scully & Scully, Inc. / mahogany game table [based on my observation this table would be used for chess set described below]
2/23/2006	116		2,362.00	House of Staunton, Inc. / 4" imperial Parthenon chess pieces made of red sandlewood, mahogany coffer, red burl fitted briefcase. Invoice also included a \$50.00 lifetime membership for Wendell Miller
3/18/2006	134		830.00	Whisnant Galleries / 14 ¼ inch carrara marble bust of Apollo Belvedere, copy of Greek original
3/18/2006	135		201.96	Renaissance Market / 2 liquid soap @ \$20.00 each, 2 @ \$21.00, 1 hand cream @ \$15.00, 3 Kenneth candles @ \$30.00 each.
10/30/2006	314		1,269.99	Circuit City Stores, Inc. / Nikon digital camera and two flash memory cards
12/19/2006	378		4,082.00	Scully & Scully, Inc. / 1 regency style barometer @ \$1,550.00, 1 Armstrong library desk (podium) @ \$2,295.00 [this invoice was not available in office, I had to have it faxed to me by payee]

12/22/2006	379		2,276.00	Books : 1 copy of William Wordsworth's Poetical Works @ \$895.00, 1 copy of Victor Hugo's Les Miserables @ \$450.00, 1 copy of John Milton's The Complete Works of John Milton @ \$895.00
12/29/2006	381		1,980.00	Writing Pens : 1 Montblanc solitaire black & gold BP @ \$730.00, 1 Montblanc solitaire black & gold Legrand FP F @ \$1,250.00
1/9/2007	388		735.75	Writing Pens : 1 Yard-O-Led Corinthian FP F @ \$420.00, 1 Yard-O-Led Corinthian BP @ \$300.00
1/22/2007	409		2,539.00	Writing Pens : 1 Dupont Orpheo Nocturne BP @ \$400.00, 1 Dupont Orpheo Nocturne Large FP M @ \$650.00, 1 Montblanc Solitaire Black & Gold PC @ \$795.00, 30 GR Image Mini US Constitution Red @ \$20.00 each (total \$600.00), 1 jotter w/500 personalized note cards @ \$94.00

I performed a physical inspection of the assets purchased in the aforementioned expenditures. Present management was unable to locate the two pens purchased with check number 381 for \$1,980.00. Also, management was unable to locate at least one of the flash memory cards purchased with check number 314 from Circuit City.

I recommend that in the future management should consider the public purpose and public benefit for amounts to be expended given that public funds are being utilized. I further recommend that management obtain reimbursement from Judge Miller for the \$50.00 lifetime membership contained in the invoice paid by check number 116 to House of Staunton, Inc.

Advances and Bonuses

Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

Findings: I noted that during January 2006 and 2007 that Judge Miller paid himself an annual salary supplement of \$2,000 from the Indigent Transcript Fund. The enabling legislation, LRS 13:985.1, that created the Thirty-first Judicial District Indigent Transcript Fund does state that "if funds are available at the end of the fiscal year, the court administrator or district judge may retain two thousand dollars from the fund as compensation for administration of the fund". However, this law appears to conflict with LRS 13:691 which states that "no judge whose salary is provided for herein shall receive for his services as a judge, directly or indirectly, any additional salary, compensation, emolument, or benefit from the state or any of its political subdivisions except ...". The salary amounts were also reported to the Social Security Administration each year and a matching payment of \$153.00 for social security and Medicare was paid into the Internal Revenue Service.

I recommend that management obtain an Attorney General's opinion regarding the legality of the aforementioned salary payments. If the Attorney General determines that these payments were in noncompliance with State laws then I suggest that management request reimbursement of the annual \$2,000 salary amounts along with the matching social security and Medicare payments of \$153 annually.

* * * * *

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Thirty-First Judicial Court Expense Funds and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is being submitted to and may be distributed by the Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
August 16, 2007

THIRTY-FIRST JUDICIAL DISTRICT COURT

Jennings, Louisiana

JUDICIAL EXPENSE FUNDS

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR AGREED UPON PROCEDURES FINDINGS

For the Period from January 1, 2006 to February 15, 2007

SECTION I – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO THE FINANCIAL STATEMENTS

All Findings:

Management Response: The current Judge of the Thirty-First Judicial District, Anne L. Simon, serving in capacity of District Judge Pro Tempore was assigned by the Louisiana Supreme Court subsequent to the period covered by the findings. Due to the temporary nature of Judge Simon's appointment, she feels that the recommendations suggested by the independent accountant should be considered for implementation by the new Judge to be selected by the people in the upcoming election in October of 2007. Judge Simon will provide the newly elected Judge with a copy of the Independent Accountant's Report on Applying Agreed-Upon Procedures for the period from January 1, 2006 to February 15, 2007.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS MATERIAL TO MAJOR FEDERAL AWARDS

Not applicable

SECTION III – MANAGEMENT LETTER

No findings reported.

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THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT